

# State of South Dakota

SEVENTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2001

292E0582

## HOUSE BILL NO. 1178

Introduced by: Representatives Kloucek, Elliott, Hargens, Kooistra, Lange, Monroe, Nachtigal, and Van Norman and Senators Hutmacher, Koetzle, McIntyre, Moore, Reedy, Sutton (Dan), and Volesky

1 FOR AN ACT ENTITLED, An Act to require health insurers who restrict access to providers  
2 to provide point of service coverage.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. Any person providing health insurance coverage in this state, including a licensed  
5 insurance company, a prepaid hospital or medical care plan, a nonprofit medical and surgical or  
6 hospital service plan, a health maintenance organization, a multiple employer welfare  
7 arrangement, a health insurance purchasing organization, a health benefit plan, or any other  
8 person providing a plan of health insurance subject to state insurance regulation who provides  
9 a health benefit plan which restricts access to providers shall provide to all enrollees or insureds  
10 coverage for out-of-network services though point of service coverage with at least the  
11 following features:

12 (1) The point of service coverage must be available to the enrollee or insured at no  
13 additional charge, but subject to the same maximum allowable benefits and other  
14 utilization and review controls as applied to participating providers. Payment or

1 reimbursement for point of service care from nonparticipating providers may restrict  
2 payment to only those services which are necessary, reasonable, and generally  
3 accepted by the peers of the particular licensed health care provider and according to  
4 uniform standards applicable to all coverages offered by the entity offering the health  
5 benefit plan;

- 6 (2) Payment or reimbursement for point of service care from nonparticipating providers  
7 shall be at the same level as licensed participating providers who provide diagnosis  
8 and treatment for similar covered conditions. However, in addition to any other  
9 copayments or coinsurance, the plan may require coinsurance participation by an  
10 enrollee or insured in an amount not to exceed ten percent of the provider's allowable  
11 charge, cumulatively not exceeding two hundred fifty dollars for all nonparticipating  
12 providers in any policy year.